Public Utilities Commission

FY 2019 Revised
FY 2020 Recommended
FY 2020 – FY 2024 Capital

Staff Presentation
March 26, 2019
Structure

Single agency with two distinct regulatory bodies:

- The Public Utilities Commission (Commission)
- The Division of Public Utilities and Carriers (Division)
Commission

- Three Commissioners
  - Appointed by the Governor to 6 year term
  - Quasi-judicial tribunal with jurisdiction, powers, and duties to implement and enforce utility standards of conduct
  - Holds investigations and hearings involving rates, tariffs, tolls, and utilities’ charges
One Administrator
  - Appointed by the Governor to 6 year term
Enforces Commission rules and regulations
Exercises jurisdiction, supervision, powers, and duties not specifically assigned to the Commission
Jurisdiction over common carriers and cable television
Division

- Mandatory party in all utility dockets
- Defender of RI rate payers before federal regulatory agencies
  - Federal Communications Commission
  - Federal Energy Regulatory Commission
Assessment Against Utilities

Rhode Island General Law §39-1-23

- Division Administrator determines Agency’s expenses for coming fiscal year
- 100% of expenses are assessed amongst the state’s regulated utilities
  - Utilities with gross state revenues of under $0.1 million are exempt
## Summary by Source

<table>
<thead>
<tr>
<th></th>
<th>FY 2019 Enacted</th>
<th>FY 2019 Revised</th>
<th>FY 2020 Governor</th>
<th>FY 2020 Chg to Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds</td>
<td>$0.2</td>
<td>$0.2</td>
<td>$0.2</td>
<td>$0.0</td>
</tr>
<tr>
<td>Restricted Receipts</td>
<td>9.7</td>
<td>10.4</td>
<td>12.0</td>
<td>2.3</td>
</tr>
<tr>
<td>Total</td>
<td>$9.9</td>
<td>$10.6</td>
<td>$12.2</td>
<td>$2.3</td>
</tr>
</tbody>
</table>

$ in millions
Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
  - Information technology, capital asset management & maintenance, & human resources
- Costs previously budgeted in DOA
  - 2018 Assembly included costs in user agency budgets
  - Final FY 2018 & FY 2019 budget
## Centralized Services

<table>
<thead>
<tr>
<th>Restricted Receipts</th>
<th>FY 2019 Enacted</th>
<th>FY 2019 Revised</th>
<th>Chg. to Enacted</th>
<th>FY 2020</th>
<th>Chg. to Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT</td>
<td>$90,324</td>
<td>$103,103</td>
<td>($12,779)</td>
<td>$91,355</td>
<td>($1,031)</td>
</tr>
</tbody>
</table>
Water Resources Board

- Article 3 transfers Water Resources Board from DOA to PUC
- 2011 Assembly merged Board into DOA
- Water Resources Board has 3.0 positions
  - General manager – vacant almost 3 years
  - Staff director
  - Civil engineer
- Similar to Governor’s FY 2018 recommendation
  - Was not adopted by the Assembly
Water Resources Board

- Operating cost of Board would be charged to regulated utilities
- Governor’s budget includes
  - $0.4 million for FY 2020
- Budget assumes general revenue savings of $0.4 million FY 2020
- Staff was moved to PUC building at the end of FY 2018
## Staffing

### Full-Time Equivalent Positions

<table>
<thead>
<tr>
<th>Full-Time Positions</th>
<th>FTEs</th>
<th>Chg. To Enacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enacted Authorized</td>
<td>53.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2019 Gov. Rev.</td>
<td>53.0</td>
<td>-</td>
</tr>
<tr>
<td>FY 2020 Request</td>
<td>63.0</td>
<td>10.0</td>
</tr>
<tr>
<td>FY 2020 Governor</td>
<td>60.0</td>
<td>7.0</td>
</tr>
<tr>
<td>FY 2020 Funded FTE</td>
<td>57.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Filled as of March 16</td>
<td>48.0</td>
<td>(5.0)</td>
</tr>
<tr>
<td>FY 2018 Average Filled</td>
<td>46.0</td>
<td>(7.0)</td>
</tr>
</tbody>
</table>
# Staffing

## FY 2020 Governor Recommendation

<table>
<thead>
<tr>
<th></th>
<th>PUC</th>
<th>Statewide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Salaries (in millions)</td>
<td>$5.3</td>
<td>$1,249.1</td>
</tr>
<tr>
<td>Turnover (in millions)</td>
<td>0.2</td>
<td>(42.9)</td>
</tr>
<tr>
<td>Turnover %</td>
<td>4.6%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Turnover FTE</td>
<td>2.8</td>
<td>529.0</td>
</tr>
<tr>
<td>FY 2020 FTE recommended</td>
<td>60.0</td>
<td>15,413.1</td>
</tr>
<tr>
<td>Funded FTE</td>
<td>57.2</td>
<td>14,884.1</td>
</tr>
<tr>
<td>Filled as of March 16</td>
<td>48.0</td>
<td>14,123.6</td>
</tr>
<tr>
<td>Funded but not filled</td>
<td>9.2</td>
<td>760.5</td>
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</table>
# Personnel

<table>
<thead>
<tr>
<th>Position</th>
<th>FTE</th>
<th>Request</th>
<th>Governor</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Legal Counsel</td>
<td>1.0</td>
<td>$126,207</td>
<td>$ -</td>
<td>-</td>
</tr>
<tr>
<td>Consumer Agent</td>
<td>1.0</td>
<td>89,185</td>
<td>89,185</td>
<td>1.0</td>
</tr>
<tr>
<td>Programming Services Officer</td>
<td>1.0</td>
<td>114,257</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Engineering Specialists II</td>
<td>5.0</td>
<td>518,685</td>
<td>207,474</td>
<td>2.0</td>
</tr>
<tr>
<td>Regulatory Research Specialist</td>
<td>1.0</td>
<td>91,735</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Utilities Analyst III</td>
<td>1.0</td>
<td>89,185</td>
<td>89,185</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10.0</td>
<td><strong>$1,029,254</strong></td>
<td><strong>$385,844</strong></td>
<td>4.0</td>
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</table>
Governor recommends 1.0 Consumer Agent: $89,185

- Answer customer requests for information and investigate complaints in a timely manner
- Timely matter means within 60 business days of receiving a complaint
Governor recommends 2.0 Engineering Specialists II: $207,474
- Responsible for enforcement
  - Dig Safe laws and federal pipeline safety enforcement
  - State and federal regulations regarding natural gas pipelines
- Evaluate expanding renewable energy generators
- Agency asked for 5 of these positions
Governor recommends 1.0 Public Utilities Analyst III: $89,185

- Responsible for monitoring
  - Impact of the cost of renewable energy projects on ratepayers
  - How ratepayer dollars are spent
  - Cost efficient ways to spend
Governor recommends $0.2 million for each FY 2019 and FY 2020

- Consistent with enacted budget
- Regulates issuance of licenses to construct major energy facilities
- All expenditures are billed back to applicants
- Funding primarily used for expert witnesses, stenographers, print & advertising notices & advisory opinions
Public Utilities Reserve Account

- Governor recommends $2.0 million for each FY 2019 and FY 2020
  - $0.6 million more than enacted
  - Investigation & hearing expenses for rate cases and other filings

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Enacted</th>
<th>Spent</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,381,104</td>
<td>$1,409,277</td>
</tr>
<tr>
<td>2017</td>
<td>$1,131,104</td>
<td>$ 751,592</td>
</tr>
<tr>
<td>2016</td>
<td>$1,131,104</td>
<td>$ 536,564</td>
</tr>
<tr>
<td>2015</td>
<td>$1,131,104</td>
<td>$ 351,734</td>
</tr>
<tr>
<td>2014</td>
<td>$1,131,104</td>
<td>$ 419,891</td>
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</table>
Transportation Network Company Regulatory Oversight

- RIGL Section 39-14.2-5 allows the Commission to regulate transportation network companies (Uber/Lyft)

- Governor recommends $66,000 for FY 2019 and $96,000 FY 2020
  - Expenditures include personnel costs, travel, office supplies, and an electric vehicle in FY 2020
**Staffing**

- $7.1 million for remaining 53.0 positions in FY 2020
  - $0.5 million more than enacted
    - Current service adjustments
    - Statewide savings not taken against non-general revenue sources
      - Expenses likely lower
The Governor recommends $250,000 for new electronic business portal in FY 2020

- Enables Commission to have “in-house” task scheduler and list serve for the public
### Operations

- $1.3$ million for FY 2019 and FY 2020
  - New electric vehicle
    - Separate from vehicle funded with TNC funds

<table>
<thead>
<tr>
<th></th>
<th>Enacted</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>Difference</th>
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</thead>
<tbody>
<tr>
<td>Rent</td>
<td>$333,420</td>
<td>$333,420</td>
<td>$333,420</td>
<td>$ -</td>
</tr>
<tr>
<td>Contracted</td>
<td>443,562</td>
<td>443,562</td>
<td>443,562</td>
<td>-</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>548,140</td>
<td>549,844</td>
<td>579,844</td>
<td>31,704</td>
</tr>
<tr>
<td>Total</td>
<td>$1,325,122</td>
<td>$1,326,826</td>
<td>$1,343,864</td>
<td>$31,704</td>
</tr>
</tbody>
</table>
Capital

- $610,000 from restricted receipts in 5 year period for repairs & renovations
  - Railings and ramps for handicapped accessibility
  - Exterior windows and roof membrane
  - Repaving projects
- Overstated by $210,000
  - Inadvertently included IT project
2013 Assembly enacted legislation requiring OMB to prepare, review and inventory all reports filed with Assembly.

- Reports submitted annually as part of budget submission:
  - Rate case summary (biannual)
  - State renewable energy standard (annual)
  - Voltage detection and repair program (annual)
  - Disclosure of Government consultants (annual)
  - Henry Shelton Act (annual)
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